

PROGRAM UPDATE

Office of Worker and Community Transition United States Department of Energy April - June 2001

THE DEPARTMENT OF ENERGY (DOE) ANNOUNCED CONFIRMATION OF PRESIDENTIAL APPOINTEES

On June 5, 2001, DOE announced that the United States Senate confirmed key Presidential nominees to DOE.

"I am pleased and excited about those who will be joining me here at the Energy Department. Each of them will serve as a vital part of DOE's commitment to helping Americans deal with the energy crisis as well as securing our energy future," Secretary of Energy Spencer Abraham said.

Among those confirmed are Francis Blake, Deputy Secretary of Energy; Robert Card, Under Secretary of Energy; Bruce Carnes, Chief Financial Officer; David Garman, Assistant Secretary of Energy for Energy Efficiency and Renewable Energy; Lee Sarah Liberman Otis, General Counsel.

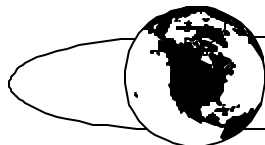
Following are short biographies on each individual:

Francis S. Blake, Deputy Secretary of Energy

Blake is the former Senior Vice President of Corporate Business Development at General Electric (GE) where he served since 1991. Before joining GE, he was a Partner with Swidler, Berlin, Shereff, Friedman, LLP in Washington, D.C., and served as General Counsel at the Environmental Protection Agency from 1985 to 1988. He served as Deputy Counsel to Vice President George H.W. Bush from 1981 to 1983. A resident of Connecticut, he is a graduate of Harvard University and Columbia University School of Law.

Robert Gordon Card, Under Secretary of Energy

Card is the past President and CEO of Kaiser-Hill Company in Colorado, and was previously Executive Vice President of CH2M Hill, Inc. A native of Yakima, Washington, he is a graduate of the University of Washington and received his Master's degree in Environmental and Civil Engineering from Stanford University.



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Bruce Marshall Carnes, Chief Financial Officer at Department of Energy

Carnes was most recently the Deputy Director of Defense Financing and Accounting Services at the Department of Defense (DOD) and was awarded the DOD Exemplary Civilian Service Award. He served as the Director of Planning, Budget and Administration at the Office of National Drug Control Policy from 1989 to 1993 and was Deputy Under Secretary of Education from 1985 to 1988. He is a graduate of the University of Colorado and received both a Master's degree and Ph.D. from Indiana University.

David Garman, Assistant Secretary for Energy Efficiency and Renewable Energy, Department of Energy

Garman is the former Chief of Staff to Senator Frank Murkowski and served as a Professional Staff Member on the Senate Energy and Natural Resources Committee from 1995 to 1998. He is a graduate of Duke University and received a Master's degree from Johns Hopkins University.

Lee Sarah Liberman Otis, General Counsel at Department of Energy

Otis is the past Chief Counsel for the Senate Judiciary Subcommittee on Immigration. In the past, she has served in the Civil Division of the Department of Justice from 1984 to 1986 and thereafter as an Associate Counsel to President George H.W. Bush. In addition, she has served as an Assistant Professor at George Mason University Law School and as an Adjunct Professor at Georgetown University Law School. She is a graduate of Yale University and received her law degree from the University of Chicago.

WORK FORCE RESTRUCTURING ACTIVITIES

WORK FORCE RESTRUCTURING AT IDAHO

On August 8, 2001, the Idaho Operations Office was given approval to implement a Voluntary Separation Program (VSP) at the Idaho National Engineering and Environmental Laboratory. The VSP window will open on August 13, 2001, and close on August 31, 2001, to achieve reductions of approximately 400 positions in FY 2001. The VSP will be a \$9,000 cash payment to separating employees. The FY 2001 Supplemental Bill provides \$5 million for the Office of Worker and Community Transition to fund the VSP. The VSP represents the second phase of the restructuring plan announced in the 120-day notification on March 26, 2001. Idaho implemented the first phase of the plan through an Early Retirement Incentive (ERI). The ERI was completed on June 25, 2001, with 441 individuals electing to participate in the program.



WORK FORCE RESTRUCTURING AT THE NATIONAL NUCLEAR SECURITY ADMINISTRATION'S (NNSA) Y-12 AREA OFFICE

On July 25, 2001, the NNSA Y-12 Area Office was given Secretarial approval to announce a work force restructuring of a total of approximately 200 employees of Babcox and Wilcox Technologies Y-12, LLC at the Y-12 Site at Oak Ridge, Tennessee, over the next 12 months. Upon the Department of Energy's approval, BWXT Y-12 intends to begin a reduction of approximately 40 positions in the Advanced Infrastructure Management Technologies (AIMTech) organization. Due to a decline in work for other Federal Agencies served by AIMTech, this entire division of Advanced Technologies (AT) is being closed. Thirteen employees have been placed internally within other divisions of the AT organization. Approximately 125 additional positions will be eliminated during the first half of FY 2002, primarily due to needed changes in the skills mix. These reductions are not related to FY 2002 budget concerns.

WORK FORCE RESTRUCTURING AT FERNALD

On March 16, 2001, the Office of Worker and Community Transition approved a Voluntary Separation Program (VSP) offered by Fluor Fernald, Inc. Ohio at the Fernald Site. The VSP window was opened March 19, 2001, through June 29, 2001. Forty-eight out of a hundred employees have accepted the VSP to meet the required skill mix necessary to complete the mission. This VSP is consistent with the Department of Energy's Work Force Restructuring Plan for the Fernald and Mound Sites - *An End in Sight*, July 1997.

RESTRUCTURING AT THE PORTSMOUTH GASEOUS DIFFUSION PLANT

The Department of Energy reached an agreement on June 15, 2001, with the United States Enrichment Corporation (USEC) regarding the benefits for the up to 526 employees who have been or will be laid off in the coming months from employment with USEC at the Portsmouth Gaseous Diffusion Plant.

WORK FORCE RESTRUCTURING AT MOUND

On June 14, 2001, the Ohio Field Office was given Headquarters approval to announce and implement an Involuntary Separation Package (ISP) affecting up to 203 employees of Babcox and Wilcox Technologies of Ohio (BWXTO) at the Mound Site. Affected employees were terminated on June 25th and June 26th. Following concurrence by the Secretary of Energy and approval by the Office of Worker and Community Transition, the Ohio Field Office previously announced a general notification of a work force restructuring to the employees at Mound. On March 1 2001, the Department of Energy approved a Voluntary Separation Program (VSP) offered by BWXTO for salaried employees at Mound. The VSP window was opened from March 1 2001, through March 29, 2001, with 37 applications received.



COMMUNITY TRANSITION ACTIVITIES

A memorandum dated April 9, 2001, from the Office of Worker and Community Transition's (the Office) concerning the implications of a proposed change in a preliminary draft of a Personal Property Letter (PPL), was sent to the Office of Management and Administration (MA). The proposed change would have required community reuse organizations (CROs) to retain the Department of Energy (DOE) excess property for 18 months. This recommendation was based on MA concerns that DOE property was being used by some CROs as a fungible asset that was being converted to cash. It was the Office's position that the proposed requirement for retaining excessed personal property for 18 months was inconsistent with a flexible economic development strategy, the concept of transfer of title, and imposed unacceptable monitoring requirements. Upon considering the comments of the Office and the CROs and in the absence of a definitive Congressional intent, MA removed the proposed change from the draft PPL.

ASSET MANAGEMENT

BERYLLIUM METAL

The Asset Management Program (AMP) of the Office of Worker and Community Transition represents the Department of Energy on the Market Impact Committee (MIC), co-chaired by the Departments of Commerce and State. The MIC was established by Congress to advise the Administrator of the Defense National Stockpile Center (DNSC) in the Department of Defense on the domestic and international economic impacts of the acquisition and/or disposition of commodities in the national stockpile. The DNSC currently has approximately 320 short tons of beryllium metal in its inventory. The AMP is currently coordinating the future requirements of beryllium metal for national security needs, relative to the available beryllium in the DNSC inventory. In addition to the National Nuclear Security Administration, the Los Alamos and Lawrence Livermore National Laboratories are participating in the review. The objective of the exercise is to work closely with the DNSC in the development of a beryllium metal addendum to the Department of Defense 2001 Report to Congress on National Defense Stockpile Requirements.

ELECTRONICS MEMORANDUM OF UNDERSTANDING

Plans are underway for an October 2001 meeting in Washington to develop an Electronics Stewardship Policy under the auspices of the Memorandum of Understanding (MOU) on Improving Environmental Management of Electronic Assets. Hosted by the Department of Defense, the October meeting will integrate several professional disciplines to address responsibilities of the Federal Government on the acquisition, use, and disposition of electronic assets and to promote their environmental management. The major disciplines to be brought to bear on formulating an Electronics Stewardship Policy will be: 1) environment, 2) applicability of Information Technology, and 3) cost Reduction Factors associated with the acquisition and disposition of electronic assets. It is hoped that the Electronics Stewardship Policy would be considered favorably by the private sector as a model to



emulate in reducing potentially adverse environmental liabilities associated with the production, use, and disposition of electronics assets. The Parties to the MOU, in addition to the Department of Energy, are the Departments of Defense and Interior, the Environmental Protection Agency, Council on Environmental Quality, and the United States Postal Service. The MOU is open to all Federal Departments and Agencies wishing to become active Parties to the agreement.

LABOR RELATIONS ACTIVITIES

WACKENHUT'S PLACEMENT OF GUARDS

Through a coordinated effort with other Department of Energy (DOE) contractors, including Kaiser-Hill, Wackenhut LLC, has successfully placed twenty-six "Q-PSAP" cleared Security Police Officers (SPOs) throughout the DOE complex and an additional seven have gained employment with the Prime Contractor at Rocky Flats.

This effectively accomplishes two missions. First, it utilizes DOE funds already expended for clearances and training; and second, it ensures all qualified employees who want to remain within the DOE structure are given that opportunity. This required a synchronized timetable with other contractors --- their needs with Wackenhut Services Limited Liability Company's downsizing efforts.

Recruiters from the Nevada Test Site, Oak Ridge, Savannah River, Hanford, and Los Alamos traveled to Rocky Flats to interview interested employees. This was followed by conversations between the General Managers regarding release dates versus site closure targets. Recruiters acknowledged respect for our mission dates and needs. Hiring decisions were independent of this data.

Once the report date was established, the security officers had ample time to coordinate their personal lives with their professional life without the stress of worrying about employment. They had leeway on such things as: selling current homes and buying at the new location, moving school age children during periods that have minimal impact, and spouse(s) transitioning employment. Some spouses opted to move months in advance based on one or more of these decisions. These success stories are:

Hanford:

Gary Suitts

Oak Ridge:

James Jenkins
Michael Baumgart
Bruce Bell
Jody Bell
Michael Wuthnow



Idaho:

Todd Clement
Wade Bradley
Clyde Taylor
Michael Eddins
Scott Sheets
T.J. Lutz
Carl Etter
Wyn Seeley
Terry Murdock

Pantex:

Jeff Gibson
Michele Gibson
Scott Haffner
Zachary MacLeod

**Lawrence
Livermore:**

Michael Wonser

Los Alamos:

James Fox

**Nevada Test
Site:**

Lloyd Bruemmer
Jody Coles
Jeff Craig
Mark Jackson
James Layton

Kaiser-Hill:

Kevin Elliott
Ronald Derr
Shirley Bailey
April Lamb
Chris Shannon
Albert Montoya
Joe Larez

REQUEST FOR PUBLIC DOCUMENT(S)

Name: _____

Organization: _____

Position: _____

Street address: _____

City and state: _____

Zip code: _____

Phone: _____

Fax: _____

E-mail address: _____

DOCUMENTS REQUESTED:

1. _____
2. _____
3. _____
4. _____
5. _____

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